



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 10, 2003

H.R. 521

Steel Industry National Historic Site Act

As ordered reported by the House Committee on Resources on November 5, 2003

SUMMARY

H.R. 521 would establish the Steel Industry National Historic Site (NHS) in Pennsylvania as a unit of the National Park System. The federal budget impact of enacting this legislation is uncertain and would depend on unknown factors such as the condition of property that may be acquired by the National Park Service (NPS), the need for mitigating environmental or other safety hazards, and the extent of nonfederal participation in the project. Depending on the level of restoration, stabilization, and development for visitor use that would be undertaken, CBO estimates that initial costs to establish and operate the new NHS would be between \$55 million and \$120 million over the five years following enactment. Some of these costs could be borne by state, local, or nonprofit entities, but the legislation would not require cost-sharing. All federal spending to implement the project, including operating expenses of about \$1 million annually, would be subject to appropriation. Enacting the legislation would not affect direct spending or revenues.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

MAJOR PROVISIONS

Under H.R. 521, the Steel Industry NHS would consist of three or more separate properties in southwestern Pennsylvania—the Battle of Homestead site (between 3 acres and 5 acres and related structures), the 35-acre Carrie Furnace complex (including blast furnaces, an ore yard, and related buildings), the hot metal bridge over the Monongahela River, and possibly up to 10 acres of nearby land that may be acquired by the NPS for visitor and administrative facilities. H.R. 521 would authorize the NPS to acquire all of these sites (as well as related personal property) by donation only. In addition to managing the NHS, the NPS could

provide technical and financial assistance to local parties for their preservation and management efforts. The agency also would prepare a general management plan for the site within three years of the bill's enactment.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that one-time planning, restoration, and development costs to establish the Steel Industry NHS would be between \$50 million and \$115 million over the first five years following the bill's enactment. Of this amount, about \$15 million would be used to build administrative and visitor facilities and develop an interpretive program. Planning (including the preparation of a general management plan, historic structures report, environmental assessments, and other requisite studies) would cost \$1 million over the first three years. The balance of one-time costs are uncertain and would depend on the need to restore historic structures, to stabilize or rehabilitate industrial property such as blast furnaces and the hot metal bridge, and to mitigate hazardous conditions and environmental contamination.

We estimate that managing the new NHS would increase NPS operating costs by a total of \$5 million through 2008. After 2008, estimated ongoing costs would be less than \$2 million a year. Annual costs would include routine NPS operating expenses, services to secure and maintain special property such as the bridge and blast furnaces, and technical assistance to nonfederal participant organizations.

This estimate is based on information provided by the nonprofit Steel Industry Heritage Corporation, the NPS, and other federal, state, and local agencies. For this estimate, CBO assumes that any significant contamination or other safety hazards located on donated property would be corrected before or soon after federal acquisition. If the agency should acquire contaminated or unsafe property, the federal government could be liable for future third-party damages, but CBO has no basis for estimating the likelihood or amount of such costs.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The bill contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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